

## STATEMENT OF PROFESSOR CAROLE A. O'LEARY

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Good afternoon. I would like to thank Congressman Tom Lantos and all of the members and staff of the Congressional Human Rights Caucus for convening this important and timely briefing on the human rights situation and aspirations of the Kurdish community in Iraq. In particular, I would like to thank Ms. Paula Clamurro for her professionalism and hard work in organizing this briefing.

In the limited time I have, I would like to discuss three key issues that are of paramount importance to Iraq's Kurdish community and, I would submit, to the U.S. strategic interest in securing a democratic and unified Iraq as a new ally in the Middle East. First, the establishment of a federally organized post-Saddam Hussein Iraq will promote stability and counter the rise of a future dictator. Second, while Turkey is a valued U.S. ally, her potential role in Iraqi Kurdistan<sup>1</sup> (northern Iraq) puts at risk the emergence of a democratic and federal Iraq. Third, Iraq's Kurds are our natural allies in securing a unified and democratic Iraq, and we should honor their request to address some of their legitimate regional concerns, as well as their basic human needs.

### **I. Stopping the Next Saddam: Constructing a Federal and Democratic Iraq**

Let me begin by summarizing my position:

1. It is clearly not in the interests of the U.S. to risk American lives in a military operation to overthrow Saddam Hussein, only to see another dictator emerge in

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<sup>1</sup> I use the term "Iraqi Kurdistan" here because this is the term commonly used by Iraqis. Even the government of Iraq refers to the Kurdish region of Iraq as "Iraqi Kurdistan" – not "northern Iraq".

Baghdad. It is in the US strategic interest to support the Kurdish goal of establishing a federal and democratic Iraq in which the region of Iraqi Kurdistan forms one of the new political units. Constituting approximately one fourth of the total Iraqi population,<sup>2</sup> the Kurds can play a vital role in ensuring that a post-Saddam Hussein Iraq pursues a program of democratization and a constructive foreign policy wherein Iraq is no longer a threat to the US, Israel or its neighbors. Why? Although unintended, the creation of the Kurdish safe haven in 1991 produced a unique situation in which democratization and civil society building have begun to take root through the efforts of the regional government and the almost 4 million people who live in the protected region.<sup>3</sup> The regional government continues to strengthen the structures for good governance, focusing on transparency, independent courts, rule of law and human rights. Thus, some 3.7 million Iraqis<sup>4</sup> have already begun the transition to democracy. This democratic experiment can provide a model for the rest of Iraq after regime change. Second, under a federal constitution, the Kurdistan federal political unit will have significant influence over the policies pursued by the new government. Through the system of checks and balances that federalism provides, the Kurdistan federal unit can counter the rise of a future autocrat (secularist or Islamist) in Baghdad.

2. Given the United States' history of broken promises and failure to confront the Iraqi regime's policy of ethnic cleansing and mass murder directed against Iraq's Kurds in the period before the creation of the northern no-fly zone in

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<sup>2</sup> The Kurdish community of Iraq constitutes between 20-23% of a total population of about 22 million.

<sup>3</sup> See Appendix A attached to this document.

<sup>4</sup> The UN currently estimates that there are 3.7 million people living in the Kurdish safe haven.

1991,<sup>5</sup> and given the Iraqi regime's continued policy of ethnic cleansing in Kurdish areas still under its control since 1991, support for a federal and democratic post-Saddam Hussein Iraq is a clear moral imperative for the U.S.

3. Iraq's Kurds do not seek an independent state. A just and lasting resolution to the Kurdish question in Iraq is essential to establishing a unified and stable post-Saddam Hussein Iraq. The establishment of a federal system of governance in Iraq will address the longstanding and legitimate aspirations of Iraq's Kurdish community and, therefore, promote stability<sup>6</sup> and ensure the future unity of the country. A stable and unified post-Saddam Hussein Iraq will provide an environment conducive to the establishment of democratic and civil society structures. For these reasons, the establishment of a federal system in a post-Saddam Hussein Iraq should not be viewed as a threat by U.S., Turkey, or any of the states in the region.

Citizens of the Kurdish safe haven believe that they are today living in a golden age, thanks largely to the US-imposed northern no-fly zone, which has permitted an unprecedented flowering of democracy, pluralism and human rights. At the same time, the Kurds are worried about the effects of regime change in a post-Saddam Iraq, particularly the frightening prospect of a scramble for power in their region. US policy makers should have similar concerns as they contemplate the forcible removal of

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<sup>5</sup> The regime's systematic policy of ethnic cleansing and mass murder directed against its Kurdish population began in the early 1960s and culminated in the genocidal campaign of the late 1980s (the Anfal Campaign) and brutal suppression of the 1991 Kurdish uprising.

<sup>6</sup> Stability in this context refers to the establishment of a peaceful social and political environment wherein democratization and civil society building can take root. Stability as defined here rejects the notion that support for autocratic regimes in the Middle East promotes stability and is, therefore, in the US strategic interest.

Saddam; there is a serious risk that such a move could have potentially disastrous implications for US foreign policy. Accordingly, US policy makers need to give serious consideration to the solution to the risk of destabilization and disintegration that has been embraced by virtually all of the major Iraqi opposition groups, as well as exiled Iraqis who define themselves as independents<sup>7</sup> -- **federalism**.

In fact, one can make the case that federalism has already been established in Iraq, inasmuch as the Kurdish safe haven under the Kurdistan Regional Government (KRG) is, for all intents and purposes, a federal political unit. Regime change will simply connect this entity to a new central government. The Iraqi National Congress (INC) has been consistent in its support for federalism in a democratic and unified post-Saddam Iraq. Even the Tehran-based Supreme Council for Islamic Revolution in Iraq (SCIRI), has recently revised its position on federalism, arguing that there is a precedent in Islam for this form of governance.

Simply defined, federalism refers to a system of government in which power is divided between a central authority and constituent political units. In some multi-cultural states like Switzerland, the constituent political units are defined not only geographically but also culturally -- on the basis of language, ethnicity, religion or tribe. Federalism as an organizing structure for governance can promote stability in multi-ethnic or multi-religious states through the establishment of political units whose relationship to the

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<sup>7</sup> The so-called Group of Six -- the Kurdistan Democratic Party, Patriotic Union of Kurdistan Party, Iraqi National Congress, Iraqi National Accord, Constitutional Monarchy Movement, and the Supreme Council for Islamic Revolution in Iraq -- have all publicly announced their support for a democratic and federal post-Saddam Hussein Iraq. Noted independent Iraqi intellectuals, including Kanan Makiya, Ghassan Attiyah and Rend Rahim Francke, have also voiced their support for federalism.

center is defined in a governing document that provides written principles concerning structures and rules for governance and appropriation of federal funds. As in the US, federalism in a future Iraq can provide a system of checks and balances to moderate the power of any future central government, inhibiting the ability of an autocratic leadership – secularist or Islamist – to seize control of the center. And, as in Switzerland, federalism can guarantee the political and cultural rights of the ethno-linguistic and/or religious communities. In thinking about a federal solution for Iraq, it is important to note that Turkey is supporting a UN plan to create a Swiss-style federal government in Cyprus in which the Republic of Cyprus would be replaced by two component states – one Turkish and one Greek – each with its own constitution, in addition to a common state with a presidential council and a two-chamber legislature.<sup>8</sup>

In theory, the establishment of an organizing structure that includes power sharing at the center and, at a minimum, regional governance for Iraqi Kurdistan, is a model well suited to the reality of ethnic and religious diversity in Iraq. In practice, however, the challenge is to achieve internal, regional and international support for federalism in Iraq. Iraqis in exile and those lucky enough to live inside the Kurdish safe haven are currently debating the structural framework for a federal Iraqi state.<sup>9</sup> Some advocate a federal system consisting of two political units: the Arab region and Kurdistan. Others have suggested dividing Iraq into five federal units: Kurdistan, Baghdad, Jazirah, Kufa and Basra.

The Kurds of Iraq will support the division of Iraq into any number of federal units, as

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<sup>8</sup> “Cyprus Peace Plan Gets Major Boost from Turkey,” by Michele Kambas for Reuters (Nov. 12, 2002).

<sup>9</sup> For example, the State Department has organized a Democracy Principles Working Group which brings Iraqis together to flesh out a road map for democracy and federalism as part of its Future of Iraq project.

long as Iraqi Kurdistan itself constitutes one of those federal units. What the Kurds will not support is the division of historic Iraqi Kurdistan into multiple federal units, an idea which has currency among some American analysts.<sup>10</sup> Dividing Iraqi Kurdistan into multiple federal units simply does not address the legitimate aspirations of the Kurdish community in Iraq and, therefore, is doomed to failure. Indeed, it represents the status quo inasmuch as the central government of Iraq administered Iraqi Kurdistan on the basis of multiple regional governorates or provinces in the past.

## **II. The Role of Turkey**

A key consideration for the Bush Administration and Congress is Turkey's position on federalism and the Kurdish question. It is well known that Turkey has consistently opposed the creation of an independent Kurdish state. More recently, however, Turkey has put forth mixed messages on the question of federalism in a post-Saddam Hussein Iraq. One message has been that Turkey will not oppose the reorganization of Iraq along federal lines as long as Mosul and the oil-rich city of Kirkuk are not ceded to a Kurdistan federal region. A second is that Turkey supports the establishment of a Turkoman federal region, to include Mosul and Kirkuk, if a permanent Kurdistan federal region is created. A third message seems to be that any form of federalism in which Iraqi Kurdistan becomes a permanent political unit is a *casus belli*. In fact, the Turks appear to have positioned themselves to intervene militarily in Iraqi Kurdistan in the event of a regime change.<sup>11</sup>

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<sup>10</sup> see Michael Rubin's article on "Federalism and the Future of Iraq" in *How to Build a New Iraq*, edited by Patrick Clawson (Washington, DC: The Washington Institute for Near East Policy, 2002).

<sup>11</sup> Turkish tanks are positioned in areas well inside the Kurdish safe haven, including Bamarni. In the Berwari Bala area, between Kani Masi and Zakho, the Turks have carved the Turkish flag (Crescent and

Notwithstanding the fact that Turkey is a valued ally, it is clearly in the US national interest to expand the debate on federalism as the only solution to Iraq's still unresolved Kurdish question that will ensure the territorial integrity of the state and provide a system of checks and balances to counter the rise of a future dictator. A second question for U.S. policy makers is whether federalism, as an organizing structure for governance in pluralistic societies, can best ensure stability in Iraq after regime change -- a precondition for the development of democracy, human rights and an active civil society. A key issue in this regard is how Turkey has positioned itself to influence the debate on federalism through its proxy in the safe haven, the Iraqi Turkoman Front (ITF).

Established by Turkey to ensure its influence over Iraqi Kurdistan now and in the future, the ITF is an umbrella for several Iraqi Turkoman political parties. The ITF has alleged that the rights of the Turkoman community have been violated by the Kurdistan Regional Government in Erbil (KRG-Erbil) and the Kurdistan Democratic Party (KDP). Despite its rejection of the legitimacy of the KRG, the ITF enjoys the same rights as all political parties in the safe haven, including the Turkoman parties not affiliated with it.<sup>12</sup> In fact, in addition to their political parties, Turkoman in the safe haven have their own schools with classes conducted in Turkish, as well as unions, sports and cultural clubs, newspapers, and radio and TV stations.

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Star) into the mountainside below where their tanks are stationed. The number of Turkish troops currently in the Kurdish safe haven is around 5000.

<sup>12</sup> See appendix C. On November 5, 2002, five Turkoman political parties which operate in the Kurdish safe haven announced the creation of new coalition, the Turkoman National Association. Unlike the Turkish-backed Iraqi Turkoman Front, the new Turkoman coalition recognizes the regional administration (the Kurdistan Regional Government) and regional parliament (the Kurdistan National Assembly). The Turkoman National Association coalition will be represented at a future meeting of the major Iraqi opposition groups, originally scheduled for November 22-25, 2002 in Brussels and now postponed until next month.

My interviews with Turkoman intellectuals, political leaders and cultural activists who are not affiliated with the ITF (conducted during July of this year) suggest that a majority of Turkoman in the safe haven support the KRG because it promotes and protects their cultural and political rights. Jawdat Najjar, a leading member of the Turkoman community in Erbil and a minister in the KRG, suggests that Turkey "adopted" the Turkoman cause after the establishment of the Kurdish safe haven in 1991 and the KRG in 1992. In his view, Turkey "discovered" the Turkoman after 1991 in order to maximize her influence over the debate on federalism and the Kurdish question. He points to the fact that Turkey voiced little concern about the cultural and political rights of Turkoman in Iraq in the decades prior to the establishment of the safe haven and KRG.

Suham Wali, an educator and cultural activist who serves as the Director General of Turkoman Studies in the KRG's Ministry of Education, argues that the establishment of the KRG in 1992 was a milestone. For the first time in Iraq's modern history, the cultural and political rights of all communities were guaranteed in theory and practice. According to Wali, while the Kurdish majority may have first sought to address the rights of their own community, the new political structure under the KRG has benefited all communities. She describes political life in safe haven since 1991 as "a work in progress" in which all communities, not just the Kurdish majority, participate.<sup>13</sup>

The number of Turkoman in Iraqi Kurdistan is highly significant for the government of

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<sup>13</sup> During a three week research visit to the Kurdish Safe haven in July, 2002, I interviewed 55 members of the Turkoman community in the city of Erbil, home to the majority of Turkoman in the safe haven, including representatives of the Iraqi Turkoman Front. According to Jawdat Najjar, there are 3500 Turkoman families in the Kurdish safe haven today (some 20,000 individuals).



Turkey which seeks to carve a Turkoman federal political unit out of the Iraqi Kurdistan region -- to include the oil-rich city of Kirkuk -- if a Kurdistan federal political unit is permanently established under a post-Saddam federal Iraq. Estimates of the number Turkoman in Iraq are unreliable and politicized. They range between 350,000 to well over one million. The exact number of Kurds and Turkoman living in Kirkuk today is unknown.<sup>14</sup> Historically predominately Kurdish, successive governments of Iraq have pursued a policy of Arabization and deportation in Kirkuk, directed first against the Kurds and later against the Turkoman as well.

The proposed constitution for a Kurdistan political unit in a federal Iraq, drafted by the KDP and PUK and currently under review by the recently reunified Kurdistan National Assembly<sup>15</sup>, does call for the inclusion of Kirkuk in a future Kurdistan federal political unit. However, the draft constitution is clear in ceding control of Kirkuk's oil to the new central government and in recognizing the fact that Kirkuk is a multi-ethnic city inhabited by Kurds, Arabs, Turkoman and Assyrians. The draft constitution calls for regularly scheduled mayoral elections in which members of all ethnic and religious communities can field eligible candidates.

In conclusion, the Kurds are extremely concerned that Turkey's strategic relationship with the U.S. will negatively influence U.S. support for a federally organized, democratic

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<sup>14</sup>The last reliable census in Iraq took place in 1957. It indicated that Kurds constituted the majority community in Kirkuk (48%). The number of Kurds and Turkoman in Iraq as a whole and in Kirkuk in particular will be determined by a new census in a post-Saddam Hussein Iraq.

<sup>15</sup> The full Kurdistan National Assembly reconvened in Erbil on October 4, 2001 for the first time since 1994. This clearly indicates that that democracy has taken root in the Kurdish safe haven and that the KDP and PUK have resolved to reconcile their differences through democratic means. The days when Turkey, Iran and Syria were able to pit the two parties against each other are over.

post-Saddam Hussein Iraq. The Kurds have repeatedly and publicly assured the U.S. and Turkey that they do not seek independence. Rather, the Kurds have clearly articulated their vision for a unified, federal and democratic Iraq within which Kurdistan represents one of multiple federal political units. They have repeatedly and publicly indicated that they will work with a representative transitional government to create a constitution for a federal Iraq that addresses their legitimate concerns and those of all the communities in Iraq. Whether Kirkuk is incorporated into a Kurdistan federal region in a future Iraq and whether a separate federal region for the Turkoman will be established cannot be unilaterally determined by Turkey. Clearly, these are issues for the Iraqi people to decide.

### **III. Kurdish Concerns about U.S. Plans for Regime Change**

As U.S. policy makers continue to deliberate over the nature of a military intervention in Iraq and its aftermath, let me now turn to what I consider to be the key concerns of Kurdish leaders and the almost 4 million people -- predominately Kurds -- who live in the Kurdish safe haven today:

1. Representatives of the two major Kurdish parties (the Kurdistan Democratic Party/KDP and the Patriotic Union of Kurdistan/PUK) have repeatedly raised the issue of a potential retaliatory attack -- involving weapons of mass destruction (WMDs) -- on their region with the White House, the State Department and the Pentagon. Specifically, they have requested medical training, chemical suits, gas masks and vaccination serums in advance of any U.S.-led military intervention. These requests seem to have fallen on deaf ears as no response has been

forthcoming from the US government. I think that everyone here today would agree that it is well within the realm of possibility that Saddam Hussein will use his WMDs against the Kurds in the event of a U.S.-led military intervention.

2. Despite the fact that the Kurds maintain a military force of about 70,000 men in the safe haven, the Pentagon has yet to include Kurdish soldiers in its new training program for Iraqis. In fact, although the KDP and PUK are founding members of the Iraqi National Congress (INC), the two parties only learned of the new training program when Ahmed Chalabi briefed the media about it in London earlier in the Fall. Logic dictates that if the Pentagon plans to conduct operations from inside the Kurdish safe haven, U.S. military officers should be familiarizing themselves with Kurdish military leaders and assessing their state of military readiness in advance of any operations.
3. The KDP and PUK, as well as other major Iraqi Opposition groups, have repeatedly urged the U.S. not to allow troops from any of the states in the region to enter Iraq as part of a U.S.-led military coalition. This makes good sense and will avoid a disastrous scenario in which Turkish troops, for example, use the opportunity to seize parts of Iraqi Kurdistan, including Kirkuk, and thereby enter into armed conflict with Kurdish forces.

#### **IV. Conclusions**

In conclusion, Iraq's Kurds do not seek separation from Iraq. Their goal is to share in the establishment of a viable regional government for Iraqi Kurdistan in a unified Iraq under a federal system, with a governing document that provides written principles concerning

structures and rules for governance and appropriation of federal funds. Federal systems flourish around the globe and the establishment of such a structure in Iraq should not be viewed as a threat by Turkey, Iran or the Arab states of the region. On the contrary, federalism will ensure the unity and stability of a post-Saddam Hussein Iraq, thereby providing a climate for democratization and civil society building. Such an outcome is clearly in the U.S. national interest, as well as in the interest of the Iraqi people.

The case of Afghanistan is instructive here. Although the new Bush administration was explicit in its rejection of any U.S. role in nation building, the horrific events of September 11, 2001 have clearly placed the U.S. and the international community in a position where it must confront the issue of nation building in post-Taliban Afghanistan. This will be true for Iraq as well. Some form of nation-building is imperative if the goal is a pluralistic, democratic Iraq at peace with its own citizens and its neighbors. And, although democracy and pluralism cannot be successfully imposed from the outside, a concerted international effort to assist Iraqis in creating sustainable structures for good governance in a pluralistic society is urgently needed. Given the fact that the Iraqi regime has pursued a genocidal campaign of ethnic cleansing against its Kurdish community, it is imperative that any future structure of governance institutionalize protections and guarantees for all of Iraq's communities, but most notably for the Kurds who have been so brutally victimized on the basis of cultural identity. A unified, democratic and federally organized Iraq will not only address the legitimate right to self-determination of the Kurdish community but also guarantee the rights of all communities within Iraq. (Appendix follows on page 13).

**Appendix A.:** Map of Iraq depicting the area of Iraqi Kurdistan (submitted with hard copy of testimony).

**Appendix B.:** The Kurdish Safe Haven: Iraq's Ongoing Democratic Experiment (see below -- also submitted with hard copy of testimony).

**Appendix C.:** Information on the Turkish-backed Iraqi Turkoman Front and the new Turkoman coalition formed in the Kurdish safe haven on November 5, 2002 (submitted with hard copy of testimony).

**Appendix D.:** Selected writings of Carole A. O'Leary that pertain to her research in the Kurdish safe haven (submitted with hard copy of testimony).

**Appendix E.:** Information on the status of the Oil for Food Program (UN Res. 986) activities in the Kurdish safe haven (see below and submitted with hard copy of testimony).

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**Appendix B.: The Kurdish Safe Haven: Iraq's Ongoing Democratic Experiment**

The Kurdish safe haven is now a decade-old example of what needs to happen throughout the rest of Iraq. People in the safe haven have been living 'the day after' since 1991.

Iraq is an 80-year old country without a democratic tradition. But in 10 very difficult years, the liberated part of Iraqi Kurdistan has become a refuge for all Iraqis seeking

freedom and democracy. Since 1991, thousands of Iraqi refugees in Iran and Turkey have voted with their feet by choosing to return to liberated Iraqi Kurdistan. And since 1991, thousands more Iraqis from central-south Iraq have sought asylum with their fellow citizens in the safe haven. Even more striking, some families who fled Iraq over 20 years ago, and who became citizens of the United States and European countries, have elected to return since 1991. All of these returnees made a free choice to return to a free land.

In late 1991 the regime in Baghdad withdrew its administration from the safe haven, militarized the separation, and abandoned the region. The regime was not pushed out. 100,000 civil servants lost their livelihoods. The regime disconnected the region from the national electricity grid, and terminated supply of home cooking and heating fuels. To administer the region, leaders of the region held elections in 1992 that were deemed to be free and fair by international observers. A regional government and parliament were established. Deliberate efforts were made to include representatives from all ethnic and religious communities. Participative processes were instituted to develop experience with the requirements, and systems and procedures of democracy. More recently, for the first time since 1957, free and fair elections, under international observation, were conducted in dozens of municipalities in 2001.

Despite a double embargo on the region, severe resource constraints, hostile neighbors, and internal factional conflict, the Kurdistan Regional Government reinvigorated essential public services. The region's leadership has made firm strides in establishing an environment where the region's citizens are free to move anywhere and speak with

anyone about any subject. Local NGOs have been established and the three regional universities are working with partners in the US and Europe to develop new academic programs, reform and update curricula, and provide faculty training opportunities.

The region's leadership has, without hesitation, allowed satellite television with over 500 channels to be available to anyone who can purchase readily available hardware. Private companies provide uncensored international phone service. Unlimited and uncensored Internet access is also available from private, independent sources.

In addition to trying to provide essential public services to all communities in an equitable manner, the leadership has attended to the safety and security of its citizens. To illustrate, crime is almost nonexistent, as are drug abuse and HIV-AIDS. According to Human Rights Watch, the leadership of the region has made notable progress in promoting and protecting the basic rights of the people of liberated Iraqi Kurdistan.

#### **Appendix E.**

##### **Assessing the UN Oil-for-Food Program Operations in the Kurdish Safe Haven**

The UN-managed oil-for-food program in Iraq is an international public service program mandated by resolutions passed by the Security Council. This is the largest humanitarian assistance program in the world. Funds earned from the legal sale of Iraqi oil are deposited in UN-managed bank accounts. However, 1-page summary monthly bank statements of credits, debits, and balances are not provided to Security Council members.

The UN Security Council authorized 13% of UN-controlled Iraqi oil sales for humanitarian goods and services for Kurdish safe haven region of Iraq. To date, this amounts to more than \$7 billion. Most of these funds remain unspent. In addition, the Security Council authorized operational costs of the 10 UN agencies involved are to be covered from a separate 2.2% account. To date, this amounts to more than \$1 billion.

Regarding the oil-for-food program in the Kurdish Safe Haven, the following points need to be examined:

1. More than **\$3 billion** - \$3,000 million – earned from the 13% account for the Kurdish Safe Haven has yet to be spent. In almost 6 years, the value of humanitarian goods and services actually received (distributed, installed, disbursed) is only about \$4 billion. Allocations and contracts-approved are not the same as goods/services received/delivered.
2. The Kurdish Safe Haven is being overcharged for pipeline fees and oil spare parts.
3. UN operational costs that should be charged to the 2.2% account are instead being charged to the 13% account.
4. Savings (unspent funds from early phases) on medicines and other sectors are not being reallocated to priority humanitarian goods and services.
5. Interest earned on 13%-account funds is being misapplied. No interest figure has ever been revealed. The UN is applying 13%-account interest to activities not directly related to the Kurdish Safe Haven.
6. Medicines, medical supplies, laboratory reagents are chronically in short supply. Less than 30% of funds available have been spent.
7. Electricity remains in critically short supply in most communities even though nearly \$1 billion has been allocated to solve the problem.
8. The UN has been undermining government and university institutions by pirating qualified and experienced staff at 10 to 50 times existing market rates.
9. Thousands of families continue to live in substandard conditions even though funds are available to substantially correct their situations.
10. In over 5 years the UN has yet to complete a comprehensive strategic planning process to meet the humanitarian needs of the people of the Kurdish Safe Haven, even though there is no shortage of funds to do so.

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**What the U.S., as a permanent member of the UN Security Council, can do to improve the humanitarian operations of the UN Oil for Food Program in the Kurdish Safe Haven (the so-called 13% account):**

Later this month, the UN Security Council will pass another resolution extending the Oil-for-Food Program (phase 13 of UN Res. 986). The almost 4 million people living in the Kurdish safe haven want answers to some serious questions regarding how the UN operates this program in their region.

First, they need to know where they stand on **INCOME**. How much has been earned from oil sales and how much credited to the 13% account (i.e. the account for the Kurdish safe haven). How are pipeline fees calculated and what is the fair share debited to the 13% account? What is the fair share of the costs of oil spare parts to be debited to the 13% account? How much interest has been earned on 13% funds in *all* UN bank accounts, including the Office of the Iraq Programme (OIP) and UN agency accounts?

Second, they need to know where they stand on **ALLOCATIONS**. In each phase, how much has been allocated to each UN agency and to each sector? They have some data from the UN, but it



is not updated.

Third, they need to know where they stand on **EXPENDITURES**. In each phase, how much has been actually spent by each UN agency in each sector? They have very little data from the UN on amounts actually spent.

What they need at the end of each month is very simple. They need a statement of income, including credits and debits and balances, with a clear explanation of how debits are calculated. They also need to know the amount of *all* the INTEREST in *all* UN accounts. And, at the end of each month, they need statements of allocations and expenditures.

With these three statements they will know where they stand. Then, appropriate questions can be raised that will lead to improvement in program performance. Only about 50% of the funds allocated for the Kurdish safe haven have been spent so far. **WHY?**

Once they know where they stand, then action needs to be taken to reallocate available funds to priorities. One of the top priorities is civil service recurring costs. To improve basic public services, teachers, health workers, and other civil servants need to be better compensated. Sufficient funds are available to do this but the UN refuses to allocate such funds. **WHY?**

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### KEY QUESTIONS TO ASK OIP AND UN AGENCIES

The Security Council does not hold the OIP and UN agencies implementing the oil-for-food program to high enough standards of transparency and accountability. OIP does not offer a clear picture of funds earned, allocated, and spent. Discrepancies amount to tens of millions of dollars. In UN reports, allocations are emphasized, while income and expenditures are de-emphasized. In six years, the UN has not produced a professional, comprehensive plan to guide allocation and spending. OIP reports contain excessive verbiage; they neither indicate achievement against funds available nor measurable impact criteria. Equitability is sidestepped; certain accounts are favored over others. Interest on all accounts is not reported. Regular statements of accounts are not published. No timeframes are applied to guide effective and efficient implementation.

### INCOME

**How much has been deposited in each of the five primary accounts?**

1. How are pipeline fees calculated? How much is deducted from each account?
2. Why are oil spare part costs deducted from only two accounts?
3. How much and what is happening to interest earned on unspent funds in all UN accounts, in both the 5 primary accounts and in UN agencies' accounts?
4. What other deductions/additions have been made from/to each primary account?
5. What is the final amount available for humanitarian goods and services?
6. Why doesn't the UN publish monthly statements of credits, debits, and balances?

### ALLOCATIONS

1. How much has been allocated to each UN agency?
2. How much has been allocated to each sector?
3. Why doesn't the UN publish monthly statements of revised allocations?

## **EXPENDITURES**

1. How much has been actually spent by each UN agency?
2. How much has been actually spent in each sector?
3. Why doesn't the UN publish monthly statements of updated expenditures?

### **Kurdish Safe Haven 13% Account - Only 52% Actually Spent**

The following is based on data available on the UN's OIP website: [www.un.org/depts/oip/](http://www.un.org/depts/oip/)

Check "Basic Figures" in the right side panel.

Note the time gap between income and expenditure figures below.

#### **Income as of 8 November 2002:**

Total oil sale proceeds Phases 1 to 12: **\$ 58,635 million**

**Theoretical availability for the Kurdish safe haven, 13%: \$ 7,623 million**

Interest earned on unspent amounts is not included. The amount actually available for humanitarian goods and services for the Kurdish safe haven is the theoretical amount plus interest, minus amounts charged for pipeline fees and oil spare parts. Each are calculated differently. Pipeline fees are deducted "off the top" and IK receives 13% of the balance. Oil spare parts are deducted from the 13%; Kurdish safe haven citizens pay a disproportionate share, 27 to 37% more per phase than the rest of Iraq's citizens.

#### **Expenditure as of 30 September 2002:**

Total spent on food arrived for all-Iraq: **\$ 10,270 million**

Kurdish safe haven 13% share: **\$ 1,335**

Total spent on medicine arrived for all-Iraq: **\$ 2,034 million**

Kurdish safe haven 13% share: **\$ 264**

(The actual amount delivered to the Kurdish safe haven is much less. Based on WHO figures, the value of medicines delivered to the Kurdish safe haven, as of August 2002, is only about **\$100 million**.)

Total spent on Kurdish safe haven **projects: \$ 1,576 million**

(electricity, agriculture, resettlement, water & sanitation, health, education, demining, telecommunications, etc., including locally contracted services and supplies)

Total charged to the Kurdish safe haven for

**oil spare parts:** \$ 771 million

**Total expenditure:** \$ 3,946 million

Based on the above data, only **52%** of the amount earned for the Kurdish safe haven has been spent on humanitarian goods and services. The balance **48%**, more than **\$3 billion**, remains "in the bank" unspent, some for more than five years.

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